

MINUTES OF SIFCo BOARD MEETING

February 19, 2009 Thursday, 4 p.m.
SIFCo Office, Winlaw

Board Members Present: Bruce Charlton, Stephan Martineau, Lisa Farr, Phil Larstone, Marc Septav, & Alix Flavelle by phone

Regrets: Luce Paquin & Madeleine Perriere

Board Members Absent:

Guests: Suzanne Schroyen, Tom Bradley, Olin McKay

Proposed Agenda:

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| 1. Discussion with Olin McKay | 2. Minutes from Last Meeting |
| 3. Business Manager Report | 4. Financial Report |
| 5. Micro Homes | 6. Upcoming AGM |

1. Discussion with Olin McKay

Olin is a local worker involved in the value added wood industry. He owns and operates a wood-miser mill. He was invited to participate in a conversation with the Board with regards to developing and supporting the value added sector in the Slocan Valley.

The discussion was wide ranging and general. Some of the topics included:

- developing niche markets rather than exploiting existing markets.
- there is an increasing demand for smaller diameter products (fencing and rails etc.)
- SIFCo has the strength of knowing our standing inventory
- much of the conversation revolved around developing the concept of a storage site that could eventually serve several purposes. It could:
 - o create extra value for SIFCo by facilitating better prices for specialty logs
 - o create value for the community by increasing the ability of value added businesses to access raw materials
 - o encourage and support value added businesses by providing a place to set up and have easy access to SIFCo's raw materials
 - o provide a central place for the development of needed infrastructure and equipment i.e. a small kiln, a mill like an economizer that works more efficiently with small diameter raw materials, log moving equipment
 - o create synergy among SIFCo and value added businesses which would increase the financial viability of each operation
- the site would need to meet several criteria:
 - o low cost, flat, well drained, access to three phase power, long term, room to include other users, central, good access

The Board thanks Olin for attending and sharing his perspectives.

2. Minutes from Last Meeting

Agreed to accept them.

3. Business Manager Report

A. Job Opportunities Grant – WUI Management Project

The application for this project has passed the 2nd phase of evaluation. It is being recommended by Price Waterhouse Cooper for approval. It is for approximately \$424,000. It includes 1 full-time supervisor, a full-time crew of 6, and a 7th member who would be responsible for running machinery and other tasks. The grant would cover a time frame of 40 weeks. We also will receive an additional \$25,000 from CBT should this grant come through.

B. Job Opportunities Grant – Invasive Plants Project

This project was resubmitted February 15th following a first review of our application. Changes were made to include references to the Regional IP Strategy and greater linkages between SIFCo, Val Miller of MoFR, and the Kootenay Invasive Plants Committee. We should hear back from PWC on phase 1 of this application in the next two weeks.

C. UBCM Matching Funds

Stephan received a call from Noreen Clayton. She is the emergency plan co-coordinator for the southern interior. She became aware of our Job Opportunities Grant application for WUI work. She informed Stephan that there are matching funds available through UBCM. It would require that monies be spent on the same type of activities, though the specifics are not clear yet.

[Stephan will explore this option.](#)

6. Financial Report

A. Longer Term Financing of Shortfalls

Lisa and Stephan met earlier today with Kelly Renz of Heritage Credit Union in Castlegar. Lisa submitted a report based on that meeting. (See attached report.)

Agreed; that all recommendations from the report be followed.

- 1) That SIFCo follow through with an unsecured line of credit for \$15,000. This will carry us through our current shortfall due to grant holdbacks and will continue to be an ongoing cushion for general operations, should we need it.
- 2) That SIFCo secure larger secured lines of credit as needed based on grant or sales contract amounts, to carry us through temporary shortfalls due to grant holdbacks and lag time of logging expenses and sales.
- 3) That SIFCo transfer member share funds to a separate but connected account, to cover interest payments until line of credit balances are zeroed.

B. CBT Grant Expenses to Date

Lisa went over a report detailing grant expenses to date, and the balance left to spend. (Report available at SIFCo office)

C. Financials as of December 31/08

Lisa provided the Board with a copy of financials to December 31/08. (Available at SIFCo office)

D. General Financial Topics

Lisa met with Jon McMillan of Berg, Naqvi and Lehmann Chartered Accountants. He had several recommendations.

- 1) That SIFCo file tax returns for last fiscal year and the year just ended even though we have no taxes payable. The cost to SIFCo should be less than \$1,000.
- 2) That SIFCo continue to waive the appointment of an auditor at our AGM's.
- 3) That SIFCo form a Finance/Audit committee to fully meet the public expectation of sound financial management strategies, and to ensure that financial procedures are transparent and accountable.

Agreed; that all recommendations be followed.

A Finance/Audit committee has been struck. The members are Lisa Farr, Stephan Martineau, and Bruce Charlton. The Board supports the idea of finding another member with more financial experience to provide support and some degree of mentoring.

7. Micro Homes

Stephan and Marc would like the Board to clarify any further interest of SIFCo with the Micro Homes project. At our December meeting it was decided that SIFCo would move forward with the project, contingent upon receiving a grant to build a proto-type. The grant was denied so we need to re-evaluate.

Stephan suggested 4 possibilities:

- 1) that the Board decline further involvement
- 2) that the Board move forward in one of three possible ways
 - i. borrow \$25,000 to build a proto-type and web site, and gear up with promotion
 - ii. borrow \$5,000 to build a web site for promotion without a proto-type
 - iii. leave the project on our current home page, do a press release and see if any interest is generated.

Agreed; that SIFCo not borrow money at this time to fund this project. We are interested in moving forward with option iii. There is some concern that this option may actually result in restricting the take-off of the project and may not actually be of benefit.

Stephan and Marc will consider the Board's decision and report back to the Board. If they are willing to move forward with SIFCo's involvement under the current circumstances, the Board would like to see the new designs being developed and new financials.

The Board expressed its support for the project and indicated that we would like to offer ongoing support.

Meeting adjourned at 7:00 p.m.

NEXT MEETING

Thursday, March 26, 4 p.m.,
SIFCo office, Winlaw